



## Commission President advances global cooperation on carbon pricing in high-level event at COP28

Dubai, 1 December 2023

Commission President Ursula **von der Leyen** today hosted a high-level event at COP28 to promote the development of carbon pricing and carbon markets, as powerful instruments to reach the Paris Agreement objectives. It builds on the Call to Action for Paris-aligned Carbon Markets that the European Commission, Spain and France launched in June 2023.

President of the European Commission, Ursula **von der Leyen** said today: *"Carbon pricing is the centrepiece of the European Green Deal. In the European Union, if you pollute, you have to pay a price for that. If you want to avoid paying that price, you innovate and invest in clean technologies. And it works. Since 2005, the EU ETS has reduced emissions in the sectors covered by over 37%, and raised more than €175 billion. Many countries around the world now embrace carbon pricing, with 73 instruments in place, covering a quarter of total global emissions. This is a good start, but we must go further and faster. The EU is ready to share its experience and help others in this noble task."*

The President of the **World Bank** Mr Ajay Banga, Director General of the **World Trade Organisation** Dr Ngozi Okonjo-Iweala, and the Managing Director of the **International Monetary Fund**, Ms Kristalina Georgieva **all participated** in today's European Commission event, which marks **a new phase in cooperation on carbon pricing**. The four organisations all underlined the importance of carbon pricing for the climate and for a fair transition. Today's event also included interventions from Prime Minister of Spain, Pedro Sanchez, and President of Zambia, Hakainde Hichilema, who shared their country's perspective on the challenges and benefits of further developing carbon pricing and ensuring the high integrity of international carbon markets.

The Commission will continue to **provide technical support to countries that wish to introduce carbon pricing regimes** in their domestic legislation, and to help them to build robust approaches to international carbon markets that are consistent with their long-term climate and development strategies. Carbon credits must be based on common and robust standards that ensure an effective reduction of emissions through transparent and verified projects. Following today's event, **COP28 should play an important role in setting a benchmark for international and voluntary carbon markets** that would ensure their added value and reliability while promoting an equitable sharing of the benefits between participants. We need a credible standard that drives transformational investment, respects environmental limits, and avoids lock-in to unsustainable levels of emissions or unjustified reliance on vulnerable removals.

### Background

Carbon pricing is a central part of the EU's successful and ambitious climate policies, implemented through the [EU Emissions Trading System \(EU ETS\)](#). Putting a price on greenhouse gas emissions is a fair and economically efficient way to reduce them, as it penalises polluters and incentivises investment in clean technologies. Carbon pricing also generates revenues for public sector invest in climate action. In sectors covered by the EU ETS, emissions have fallen by over 37% since its introduction in 2005 and revenues from the EU ETS have reached €175 billion. Since 1990 the EU's total emissions have fallen by 32.5%, while our economy has grown by around 65%, underlining how we have decoupled economic growth from emissions. Emissions trading will soon apply to new sectors in Europe under recently agreed reforms, extending to maritime and aviation, and later to fuels for buildings and road transport.

The [Call to Action on Paris-aligned Carbon Markets](#) was launched at the Summit for a New Financial Pact hosted by France in June 2023. So far 31 countries (EU27 + Barbados, Canada, Cook Islands and Ethiopia) have expressed their support for the Call. The Call includes three elements: 1) commitment to expansion and deepening of domestic carbon pricing and carbon market instruments; 2) Support to host countries for full implementation of the agreed rulebook for international compliance markets, and; 3) ensuring high integrity in voluntary carbon markets. The Call builds on and compliments existing initiatives such as Canada's Global Carbon Pricing Challenge,

which the EU formally joined at the [EU-Canada Summit](#) on 24 November, the G7 High Integrity Principles, as well as the Paris Agreement's Article 6 rules.

## Related links

[Speech of President von der Leyen at the High Level Event on Carbon markets](#)

[Call to Action on Paris-aligned Carbon Markets](#)

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## Quotes:

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Ursula von der Leyen, President of the European Commission - 01/12/2023

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